

**REGISTERED NUMBER. 00540121 (England and Wales)**

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2011  
for  
Charles Kendall Freight Limited**



**Charles Kendall Freight Limited (Registered number 00540121)**

**Contents of the Financial Statements  
for the Year Ended 31 December 2011**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>

---

**Charles Kendall Freight Limited**

**Company Information  
for the Year Ended 31 December 2011**

---

<b>DIRECTORS:</b>	JM Kendall MM Kendall P Sunderland GP Mitchell SM Harris IG Jenkins M Frew
<b>SECRETARY</b>	GP Mitchell
<b>REGISTERED OFFICE:</b>	7 Albert Court Prince Consort Road London SW7 2BJ
<b>REGISTERED NUMBER</b>	00540121 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Christopher Baxter FCA
<b>AUDITORS</b>	Roffe Swayne Statutory Auditors & Chartered Accountants Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ

**Report of the Directors  
for the Year Ended 31 December 2011**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an international freight forwarder. With branch offices in the UK, the Middle East, and the Far East, the company achieves its income by charging its clients a fee for arranging the movement of goods around the world by either sea, air or road.

**REVIEW OF BUSINESS**

This Business Review presents an assessment of the development and performance of the company's business during 2011 and its position at the year end. The Business Review takes account of the non-complex nature of the business and the risks and uncertainties that the Company faces.

The directors consider that the company's key financial indicators are those that communicate the financial performance and strengths of the company as a whole, these being the level of turnover, gross profit, gross profit percentage and net assets/shareholders' funds. The table below gives a summary of these key financial indicators for 2011 and 2010.

	2011 £	2010 £	% increase/ (decrease)
Turnover	19,139,154	21,068,437	(9%)
Gross profit	5,440,962	5,334,838	2%
Gross profit percentage	28%	25%	
Net assets/ shareholders' funds	2,687,131	2,366,657	14%

In late 2010, a fellow subsidiary undertaking, Seabox Limited, was registered with the US Federal Maritime Commission in respect of transporting ocean freight to the USA. As a result, the ocean freight business from Europe to the USA, previously dealt with by the company, was transferred to Seabox Limited for all of 2011. As a result, turnover decreased during the year. However, in spite of this loss, the company was able to achieve a small increase in gross profit compared to 2010, with an increase also in the gross profit percentage, as indicated in the above table.

The level of net assets/shareholders' funds is important as it is this measure that is often focussed on by clients as a sign of financial strength when the company tenders for new assignments and it is pleasing to report a good improvement in this measure over the level reported for 2010. This, together with the net cash resources at its disposal, helped the Company end 2011 in a stronger financial position.

Looking forward to 2012, the business environment in which the company operates continues to be challenging with increasing competition coming from both larger corporates and smaller independent freight forwarders, with clients ever more focused on their own operational costs. Notwithstanding these concerns, there continue to be many opportunities for the company to offer added value services and to win new clients and assignments, for both import and export movements, particularly in the Middle East, the Far East and North America. Accordingly, the directors remain firmly focused on positioning the company so as to capitalise on these opportunities, but at the same time ensuring that existing clients are retained through the provision of a thoroughly professional first class service.

The directors consider that, in light of the current world economic conditions, 2012 will be another very challenging year for the company, but they are confident that the company will continue to perform well, subject to unforeseen events outside of their control.

**DIVIDENDS**

The directors do not recommend the payment of a dividend for the year ended 31 December 2011 (2010 - £nil).

**Report of the Directors  
for the Year Ended 31 December 2011**

---

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

JM Kendall  
MM Kendall  
P Sunderland  
GP Mitchell  
SM Harris  
IG Jenkins

Other changes in directors holding office are as follows

M Frew - appointed 4 January 2011

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year, the company made no political donations but made charitable donations totalling £794 (2010 - £1,672) principally to local charities serving the communities in which the company operates

**DIRECTORS' INSURANCE**

The ultimate parent undertaking, Charles Kendall Group Limited, maintains an insurance policy on behalf of all the directors against liability from negligence, breach of duty and breach of trust

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors  
for the Year Ended 31 December 2011**

---

**DISCLOSURE OF INFORMATION TO AUDITORS**

The directors have discussed with the auditors, as part of the clearance and review process, the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed

The discussion with the auditors also covered points arising from the work the auditors performed during their audit, and explanations were given where the auditors considered them necessary in order to provide them with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error

As a result of these discussions, as far as each of the directors who held office at 25 June 2012 are aware

- there is no relevant audit information (as defined by section 418(2) of the Companies Act 2006) of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**THIS REPORT WAS APPROVED BY THE BOARD.**



GP Mitchell - Secretary

25 June 2012

## **Report of the Independent Auditors to the Members of Charles Kendall Freight Limited**

---

We have audited the financial statements of Charles Kendall Freight Limited for the year ended 31 December 2011 on pages seven to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

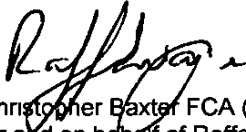
**Report of the Independent Auditors to the Members of  
Charles Kendall Freight Limited**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher Baxter FCA (Senior Statutory Auditor)  
for and on behalf of Roffe Swayne  
Statutory Auditors & Chartered Accountants  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

25 June 2012



**Charles Kendall Freight Limited (Registered number: 00540121)**

**Profit and Loss Account  
for the Year Ended 31 December 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	2	19,139,154	21,068,437
Cost of sales		(13,698,192)	(15,733,599)
<b>GROSS PROFIT</b>		5,440,962	5,334,838
Administrative expenses		(5,809,362)	(5,546,563)
		(368,400)	(211,725)
Other operating income		812,763	456,924
<b>OPERATING PROFIT</b>	5	444,363	245,199
Interest receivable and similar income		169	3,298
		444,532	248,497
Interest payable and similar charges	6	(10)	(27)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		444,522	248,470
Tax on profit on ordinary activities	7	(124,048)	(74,003)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		320,474	174,467

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes on pages 9 to 15 form part of these financial statements

**Charles Kendall Freight Limited (Registered number: 00540121)**

**Balance Sheet  
31 December 2011**

	Notes	2011 £	2010 £
<b>CURRENT ASSETS</b>			
Debtors	8	11,480,323	7,820,413
Cash at bank		1,364,980	971,614
		<u>12,845,303</u>	<u>8,792,027</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	10,158,172	6,425,370
		<u>10,158,172</u>	<u>6,425,370</u>
<b>NET CURRENT ASSETS</b>		<u>2,687,131</u>	<u>2,366,657</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,687,131</u>	<u>2,366,657</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1,700,000	1,700,000
Profit and loss account	13	987,131	666,657
		<u>2,687,131</u>	<u>2,366,657</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>2,687,131</u>	<u>2,366,657</u>

The financial statements were approved by the Board of Directors on 25 June 2012 and were signed on its behalf by

  
MM Kendall - Director

The notes on pages 9 to 15 form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2011**

---

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the year and the preceding year.

**Cash flow exemption**

As a wholly owned subsidiary, the company is taking advantage of the exemption, under FRS 1 (revised) Cash Flow Statements, from preparing a cash flow statement since its results are included in the published consolidated financial statements of Charles Kendall Group Limited, the ultimate parent undertaking.

**Revenue recognition**

Revenue is recognised in the financial statements dependent upon the type of shipment. For imports, invoices are raised when the shipment has been delivered to or collected by the consignee. For exports and cross trades, invoices are raised when the shipment has been dispatched.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that had been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Profits or losses arising on foreign currencies are dealt with in the profit and loss account against the transactions to which they relate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**Pensions**

The group, of which the company is a subsidiary undertaking, operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES - continued

**Related Party**

The company is a related party with Charles Kendall Group Limited, its ultimate parent undertaking. As a wholly owned subsidiary, the company is taking advantage of the exemption, under FRS 8 Related Party Disclosure, from making further disclosure of transactions with Charles Kendall Group Limited, and its fellow subsidiary undertakings.

2 TURNOVER

Turnover represents the invoiced value of goods and services sold to third parties excluding import duty and value added tax and relates wholly to the principal activity. An analysis of turnover by geographical market is as follows:

	2011 £	2010 £
United Kingdom	11,310,440	13,180,085
Middle East	3,013,552	2,985,751
North America	3,454,150	3,116,461
Asia	480,418	432,681
Europe	633,595	803,566
Rest of the World	246,999	549,893
	<u>19,139,154</u>	<u>21,068,437</u>

3 STAFF COSTS

	2011 Number	2010 Number
<b>(1) Number of employees</b>		
The average weekly number of persons, including directors, employed by the company during the year was:		
International freight forwarders	<u>100</u>	<u>96</u>
<b>(2) Staff costs</b>		
	£	£
Wages and salaries	2,879,342	2,757,506
Social security	286,384	265,315
Other pension costs	161,777	145,669
	<u>3,327,503</u>	<u>3,168,490</u>

4 DIRECTORS' EMOLUMENTS

	2011 £	2010 £
Directors' remuneration	454,324	352,546
Directors' pension contributions to money purchase schemes	<u>39,845</u>	<u>33,400</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011

4 DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director is as follows

	2011 £	2010 £
Emoluments etc	168,350	151,520
Pension contributions to money purchase schemes	<u>15,120</u>	<u>14,630</u>

Three of the directors are employed by a fellow subsidiary undertaking in which the full cost of their remuneration is disclosed. It is not practicable to allocate the directors' remuneration between group companies.

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Operating lease rentals		
- plant and equipment	180,746	202,271
Operating lease rentals		
- buildings	376,641	374,537
Auditors' remuneration - audit	21,250	18,500
Other auditors	150	78
Foreign exchange differences	<u>(50,522)</u>	<u>(272,997)</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest paid	<u>10</u>	<u>27</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011

## 7 TAXATION

	2011 £	2010 £
<b>Current tax</b>		
UK corporation tax at 26% (2010 - 28%)	123,326	76,946
Adjustments in respect of previous periods	-	(253)
	<u>123,326</u>	<u>76,693</u>
<b>Deferred tax</b>		
Other timing differences	(98)	(2,355)
Adjustments in respect of previous periods	820	(335)
	<u>722</u>	<u>(2,690)</u>
<b>Total</b>	<u>124,048</u>	<u>74,003</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax as follows

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>444,522</u>	<u>248,470</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 26% (2010 - 28%)	117,768	69,572
Effects of		
Origination and reversal of timing differences	98	230
Expenses not deductible for tax purposes	5,460	7,144
Adjustments in respect of previous periods	-	(253)
	<u>123,326</u>	<u>76,693</u>

## 8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	10,146,360	6,677,079
Amounts owed by group undertakings	933,622	550,574
Other debtors	264,699	369,800
Deferred tax asset	7,600	8,322
Prepayments and accrued income	128,042	214,638
	<u>11,480,323</u>	<u>7,820,413</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

DEFERRED TAX ASSET

	2011	2010
	£	£
Deferred tax		
Accelerated capital allowances	7,600	8,322
	<u>7,600</u>	<u>8,322</u>
<b>Movement during the year:</b>		£
At 1 January 2011		8,322
Debited to profit and loss account		(722)
		<u>7,600</u>
At 31 December 2011		<u>7,600</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 10)	724	-
Trade creditors	9,766,389	5,967,096
Amounts owed to group undertakings	223,843	308,202
Corporation tax	70,326	76,946
Other creditors	86,790	51,836
Accruals and deferred income	10,100	21,290
	<u>10,158,172</u>	<u>6,425,370</u>

10 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	724	-
	<u>724</u>	<u>-</u>

11 OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases which expire as follows

	2011	2010
	£	£
<b>Buildings:</b>		
Between one and five years	59,500	59,500
	<u>59,500</u>	<u>59,500</u>

12 CALLED UP SHARE CAPITAL

	2011		2010	
	Number	£	Number	£
Allotted, issued and fully paid ordinary shares of £1 each	1,700,000	1,700,000	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011**

---

**13 RESERVES**

	Profit and loss account £
At 1 January 2011	666,657
Profit for the year	320,474
At 31 December 2011	<u>987,131</u>

**14 PENSION COMMITMENTS**

The group, of which the company is a subsidiary undertaking, operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the group in independently administered funds. Contributions payable by the company to the funds amounted to £161,777 (2010 - £145,669). There were no contributions payable to the plan at the year end.

The number of directors to whom retirement benefits were accruing was as follows:

	2011 Number	2010 Number
Money purchase schemes	<u>5</u>	<u>5</u>

**15 ULTIMATE PARENT COMPANY**

The directors regard Charles Kendall Group Limited, a company registered in England and Wales, as the company's ultimate parent undertaking.

Charles Kendall Group Limited is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up.

Copies of the group financial statements can be obtained from:

The Company Secretary  
Charles Kendall Group Limited  
7 Albert Court  
Prince Consort Road  
London  
SW7 2BJ



**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2011**

---

**16 CONTINGENT LIABILITIES**

The company's parent undertaking has obtained banking facilities for the company by providing cross-guarantees to its bank, amounting to £750,000 (2010 - £750,000)

At the year end the company had a bonds and guarantees facility amounting to £450,000 (2010 - £450,000) As at 31 December 2011 this facility was used by the company in respect of performance bonds for duty deferment in the ordinary course of business amounting to £427,000 (2010 - £427,000) Subsequent to 31 December 2011, the company extended its duty deferment facility by a further £400,000 The duty deferment facility will revert to its original level at the end of May 2012

In addition, the company also has an AED 1,100,000 (2010 - AED 1,000,000) local custom bond banking facility in Dubai to cover duty deferment obligations in the ordinary course of business in that territory This facility is supported by a cash deposit of AED 1,100,000 (2010 - AED 1,000,000) from the company

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Profit for the financial year	320,474	174,467
<b>Net addition to shareholders' funds</b>	<b>320,474</b>	<b>174,467</b>
Opening shareholders' funds	2,366,657	2,192,190
<b>Closing shareholders' funds</b>	<b>2,687,131</b>	<b>2,366,657</b>